



March 18, 2013

Connecticut General Assembly
Planning and Development Committee
Legislative Office Building
Hartford, Connecticut 06106

Attention: Committee Chairs Senator Steve Cassano and Representative Jason Rojas
Committee Vice Chairs Senator Catherine Osten and Representative Daniel Fox
Ranking Members Senator Len Fasano and Representative Bill Aman

Subject: OPPOSITION OF RAISED BILL-1111; An Act Concerning Rate Increases by
Water Pollution Control Authorities Receiving State Grants for Water Pollution
Control Projects

Ladies and Gentlemen:

My name is James Sullivan and I am the Chairman of the City of Norwich Board of Public Utilities Commission and the Sewer Authority of the City of Norwich. The Sewer Authority acts as the municipal Water Pollution Control Authority (WPCA) for Norwich Public Utilities (NPU). NPU is a Department of the City of Norwich providing municipal sewerage services to the residents, businesses, and community facilities in the City of Norwich as well as residents and businesses in small portions of the neighboring towns of Franklin, Sprague, Lisbon, and Preston. We, along with nearly every other municipal sewerage system operator in Connecticut, have received State grants for water pollution control projects. Therefore, this proposed legislation directly affects the Norwich sewerage system.

Every year, NPU prepares a sewer operating and capital budget and establishes rates necessary to meet the obligations of operating the municipal sewerage system in an extremely transparent manner. In accordance with Connecticut General Statutes Section 7-255, these rates are noticed, posted, and presented at a public hearing "at which the owner of property against which the charges are to be levied has the opportunity to be heard concerning the proposed charges." As Chairman, it is very important to me that every voice is heard before we approve or disapprove any potential rate changes. Users of the Norwich municipal sewerage system, regardless of their town of residence, are heard equally and their comments are considered when establishing the

usage rates. Last year, when the Authority was planning to adjust sewer rates we heard from many of our customers, including those who reside or operate businesses outside of the City of Norwich. After hearing the comments and concerns of everyone who wanted to be heard, we lowered the proposed rate increase. This proves that we listen to and make decisions based on input from all of the stakeholders involved.

Furthermore, the state statues include a process where anyone may appeal the rate charges if a particular party feels aggrieved by the rates established under this system. The Sewer Authority is currently being sued under this statute by one of the neighboring towns that we serve. This process works by allowing customers many opportunities to be heard and appeal any decision that we, as the Authority, make.

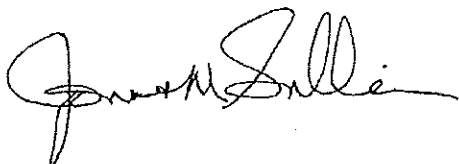
As drafted, the proposed legislation would effectively create veto authority by elected officials whose interests may not be consistent with the efficient operation of a wastewater treatment system. Such veto authority would circumvent the establishment of fair and reasonable rates. In Norwich's case, 90% of the flow treated by our wastewater treatment plant comes from customers located in the City of Norwich. This legislation, if adopted, would effectively give veto power to elected officials who represent customers who comprise only 10% of our total flow at the expense of the other 90% who do not have similar veto power.

Additionally, such veto authority could render the hosting municipal WPCA to have funds only to meet the bonding requirements as set forth in Connecticut General Statute Section 7-256. This would result in risking the host WPCA's ability to meet discharge requirements, thereby causing environmental pollution and putting the host WPCA at risk of permit violations and fines.

Furthermore, if this legislation is adopted, the Sewer Authority of the City of Norwich will have to seriously consider if it would be economically feasible to continue to serve the sewer needs of customers outside of the city limits.

Given there are already many opportunities for all impacted customers to participate in the rate adoption process, and appeal the charges should they feel aggrieved by the adopted rates, there is no reason to create the veto authority proposed by this legislation. Therefore, we strongly encourage you to oppose this legislation.

Respectfully.

A handwritten signature in black ink, appearing to read "James Sullivan", with a stylized, flowing script.

James Sullivan, Chairman
Sewer Authority of the City of Norwich